

**BEFORE THE TAX COMMISSION OF THE STATE OF IDAHO**

In the Matter of the Protest of	)	
	)	DOCKET NO. 16630
[REDACTED],	)	
	)	DECISION
Petitioner.	)	
_____	)	

On March 22, 2002, the Sales Tax Audit Bureau of the Idaho State Tax Commission (Tax Commission) issued a Notice of Deficiency Determination to [Redacted] (taxpayer), proposing additional sales and use tax, penalty, and interest in the total amount of \$39,614 for the period of April 1, 1994 through March 31, 2001. The taxpayer filed a timely protest and petition for redetermination. The Commission sent a hearing rights letter to the taxpayer on October 24, 2002, explaining the right to appeal. The taxpayer did not respond to this letter. The Tax Commission, having reviewed the file, hereby issues its decision.

The taxpayer is a subsidiary of [Redacted]. The taxpayer operates kiosks at [Redacted] in various locations throughout Idaho. The taxpayer provides miscellaneous services to truckers such as making photocopies, internet services, e-mail and mapping. The taxpayer has never held an Idaho seller's permit or an Idaho use tax account.

The taxpayer did not provide detailed records. The auditor calculated taxable sales of photocopies and purchases of equipment and supplies from figures reported in the taxpayer's income tax returns and general ledger accounts. The taxpayer was unable to provide any backup documentation, such as sales or purchase invoices, for the items scheduled.

Idaho Code § 63-3624(c) states:

(c) Every seller, every retailer, and every person storing, using, or otherwise consuming in this state tangible personal property purchased from a retailer shall keep such records, receipts, invoices and other pertinent papers as the state tax commission may require. Every such seller, retailer or person who

files the returns required under this act shall keep such records for not less than four (4) years from the making of such records unless the state tax commission in writing sooner authorizes their destruction.

Idaho Sales Tax Administrative Rule 111 (IDAPA 35.01.02.111) states that the required records include the normal books of account ordinarily maintained by the average prudent businessman engaged in such business, together with all bills, receipts, invoices, cash register tapes, or other documents of original entry supporting the entries in the books of account, together with all schedules or working papers used in connection with the preparation of tax returns. In the absence of such records, the Tax Commission has used the best records available to compute the deficiency.

For this reason, the Commission affirms the Notice of Deficiency.

WHEREFORE, the Notice of Deficiency Determination dated March 22, 2002 is APPROVED, AFFIRMED, and MADE FINAL.

IT IS ORDERED and THIS DOES ORDER that the taxpayer pay the following tax, penalty, and interest (calculated through December 31, 2002):

<u>TAX</u>	<u>PENALTY</u>	<u>INTEREST</u>	<u>TOTAL</u>
\$24,042	\$6,012	\$10,669	\$40,723

DEMAND for immediate payment of the foregoing amount is hereby made and given.

An explanation of the taxpayer's rights to appeal this decision is enclosed with this decision.

DATED this \_\_\_\_ day of \_\_\_\_\_, 2003.

IDAHO STATE TAX COMMISSION

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COMMISSIONER

### **CERTIFICATE OF SERVICE**

I hereby certify that on this \_\_\_\_ day of \_\_\_\_\_, 2003, a copy of the within and foregoing DECISION was served by sending the same by United States mail, postage prepaid, in an envelope addressed to:

[REDACTED]

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